

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee January 30, 2020

**STINNER:** [RECORDER MALFUNCTION] to the Appropriations Committee hearing. My name is John Stinner. I'm from Gering and represent the 48th Legislative District. I serve as Chair of this committee. I'd like to start off by having members do self-introductions, starting with Senator Erdman.

**ERDMAN:** Steve Erdman, District 47, ten counties in the Panhandle.

**CLEMENTS:** Rob Clements, District 2, Cass County and parts of Sarpy and Otoe.

**HILKEMANN:** Robert Hilkemann, District 4, west Omaha.

**STINNER:** John Stinner, District 48, all of Scotts Bluff County.

**VARGAS:** All right. Tony Vargas, District 7, downtown and south Omaha.

**DORN:** Myron Dorn, District 30, Gage County and southeast Lancaster.

**STINNER:** We have several people that are at hearings and won't be here or may pop in after their hearing. Assisting the committee today is Brittany Bohlmeier-- Bohlmeier, our committee clerk. To my left is our fiscal analyst, Phil Hovis. Our page today is Hallett Moomey. On the cabinet to your right, you will find green testifier sheets. If you are planning to test-- on testifying today, please fill out a sign-in sheet and hand it to the page when you come up to testify. If you will not be testifying at the microphone but want to go on the record as having a position on a bill being heard today, there is white sign-in sheets on the cabinet where you may leave your name and other pertinent information. These sign-in sheets will become exhibits in the permanent record at the end of today's hearings. To better facilitate today's proceedings, I ask that you abide by the following procedures. Please silence or turn off your cell phone. Order of testimony will be introducer, proponents, opponents, neutral, and then a potential closing. When you hear testimony regarding the agencies, you will first hear from the representative of the agency. We will then-- then hear testimony for anybody who wishes to speak on the agency's budget request. We also ask that you spell your first and last name for the record before you testify. Be concise. It is my request that you limit your testimony to five minutes. Written materials may be distributed to committee members as exhibits only while testimony is being offered. Hand them to the page for distribution to the committee and staff when you come up to testify. We need 12 copies. If you have written testimony but do not have 12 copies, please raise your hand now so the page can make copies for

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you. With that, I will just do some introductory information, more for the record and the committee. This hearing was called because of a bill passed in Section 24, Agency 65, and it's called "planning funds for office/parking structure at geothermal well-- well field site." And in this it says there is included in the appropriations to this program \$4 million for a state building revolving fund for 2019-20 to aid in the carrying out of provisions of the section. The Department of Administrative Services is authorized to undertake and complete all phases of project planning for the construction of-- of a structure at the city of Lincoln block bounded by 17th, 18th, K, and L, to accommodate state offices, as well as vehicle parking. Director of Adminis-- Administrative Services shall notify the Chairperson of the Appropriations Committee of the Legislature upon completion of the schematic design phase of the project planning for the structure. Upon such notification, the Chairperson shall schedule a hearing of the Appropriations Committee, at which the director shall appear and provide a summary of the contents of the schematic design planning document for the project, a timeline for subsequent planning phases of the project, timeline for the construction of the structure, and an update with respect to the plans for financing construction and other costs as may be associated with the completion of the proposed project. The department shall not proceed beyond the schematic design planning phase of the project prior to the hearing as provided in this section. With that, we will have the director of Administrative Services give us an update on the schematic presentation.

**JASON JACKSON:** Oh, I don't have a testifier sheet.

**HALLETT MOOMEY:** Oh, OK.

**JASON JACKSON:** Yep.

**STINNER:** Good afternoon.

**JASON JACKSON:** Good afternoon, Chairman Stinner. Thank you for having me. Thank you, members of the committee, for the opportunity to come speak with you today. My name is Jason Jackson, J-a-s-o-n J-a-c-k-s-o-n, and I am the director of the Department of Administrative Services, which oversees State Building Division. Chairman Stinner, as you outlined, what brings me to your doorstep today is to update you with respect to our plans for a new construction at the 17th and K site for a state office building. We appreciated the committee's support last year for \$4 million in appropriation to begin the design, the schematic design on that building, that appropriation being existing Building Division funds,

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not new money. And-- and that has proceeded, and so it's my pleasure to be here today to kind of update you on that planning. You have some slides in front of you that I'll plan to brief off of that walk through the elements that last year's budget bill required that we come back and kind of give you an update on. And I'm happy to take the conversation in any direction at the committee's pleasure in terms of whatever level of detail you want to go into with respect to this material. One thing I'll just mention from the top, from a strategic perspective, is-- is Building Division has a couple of key strategic priorities when we think about the office building environments for our state-- state teammates, the first of which is we want to have en-- engaging workplaces for our teammates. We understand that the engagement of our employees, a big driver of employee engagement is just offices and work environment that people are comfortable in, that they feel energized by, that give them a good sense of just an environment that they want to be in, so that's one criteria that-- that we look at. We also strive for accessibility, both for our teammates as well as for the public. We want to make sure that government is accessible as possible. And a big part of our building footprint, particularly when we think about new construction, should be geared in that direction. Third, we think about collocation and "affinitizing" like work so that people, whether it be, you know, similar work types, similar agencies, or folks whom have similar customers, for the convenience of our customers and for the productivity of our workforce, we like to affinitize like work and facilitate collocation whenever we can. And then finally, of course, we strive to do that all in a responsible way for the taxpayer. So my hope is, as we kind of work through this material, you'll see the ways in which we've attempted to balance those priorities. The first couple of slides just orient you to the location that we're talking about. So we are talking about that 17th and K block that's on top of what is the currently under-construction geothermal well field. And our hope is to basically build a four-story building on top of that well field. If you advance to the slide that is titled "Parking Garage," the design here is very purposeful. So our intent is that the first two floors will be dedicated to parking. That helps us achieve our accessibility objectives, but also enables us to be able to maintain that geothermal well field after building construction. So that will ensure that that, that well field, is accessible from kind of a maintenance perspective. The garage will call for about 418 parking stalls, so it will have a net positive impact on Lincoln's parking capacity. I'll take a moment here, because I know that this is a hot-button issue. It certainly is a big strategic initiative of ours, and I'll just kind of talk a little bit about parking in this Capitol

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environs area and hopefully give-- give you all a sense of the extent to which I understand it's a problem. When I assumed my position as director of DAS last December, our waitlist for state teammate parking was approximately 770, and the average time that an employee would spend on that waitlist before they would receive a parking spot was approximately four years. Obviously, that was unsatisfactory to us. I know it's unsatisfactory to many of you. There are second-order consequences of that to the Lincoln community in terms of the reduced capacity to our-- our neighbors and the reduced accessibility to state government here in the Capitol area when our teammates are forced to use state parking. So subsequent to my taking over as director last year, we've made this a big strategic priority, and I'm pleased to say that we've reduced that waitlist by approximately 70 percent. Right now, that waitlist stands at about 235 folks, just over 235, and the average wait time is down to just over a year. That's still not good enough. We're definitely not settling for that, but we're pleased with the progress. We've made a number of strategic efforts to increase our capacity, to include leasing new lots in our immediate area, process improvement just in terms of how we were managing that waitlist, and shifting some of our operations around, most notably shifting part of TSB, our vehicle leasing agency, and our fleet maintenance down to our surplus property area, the DOT property down near the State Penitentiary there off of 14th Street. Collectively, those efforts have dramatically improved, increased our capacity here in the Capitol environs area and are really helping us move the needle in this area, and we see a lot of runway for even more. We still have-- this committee authorized a parking study that was conducted by my department this past year, one of the key findings of which was that we have capacity to oversell the lots that are in our possession to a much greater degree than we currently do. If memory serves, I think the findings were that on any given average day, capacity in our state parking garages is only about 80 percent, so we have some runway there to do some science behind just how much more we can be-- more parking opportunities we can be extending to our state-- state teammates and further alleviating some of that parking difficulty here in the-- in the Capitol environs area. And that's important for a number of reasons: One, again, you know, we want state government to be accessible. We understand that when our state teammates are parking in the-- in the surrounding neighborhood here, that makes state government less accessible, that makes your offices less accessible. Two, we want to be good neighbors in the community. And three, and of particular importance to me as an HR practitioner, it's a real deterrent to state employment if you might potentially be waiting four years before you get a parking spot. One of the first questions that

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job applicants ask when they seek employment with the state is, hey, what's the parking situation? And it's a really-- it's-- we-- we're placed at a competitive disadvantage in the talent marketplace if it-- if we have to respond that it may be four years before you get a parking spot. Now we're getting where we're in the game and people can see a light at the end of the tunnel, and so that's all to the positive. Returning to this project, as you can see here, we're anticipating that this build will increase our capacity in the Capitol environs area by about 14-- 418 stalls. I want to just place a little bit of a caveat that I don't-- we don't necessarily anticipate that that will be-- result in a one-for-one reduction in terms of demand here in the Capitol environs area, because we will be increasing the employee density in this area, as well, with those agencies that we plan to move in there and-- and where other agencies may backfill those who are relocating. So overall employee density will increase, which will somewhat offset some of these gains, but the net to the Lincoln community as a whole is increased parking capacity in excess of 400 stalls. So I'm happy to have more con-- discussion about that, but I know that that's an area of significant concern, and so I thought it merited going a little deeper dive in terms of how we were thinking about that. As you advance the material, you see the-- kind of just a layout of the office space that will be above those-- the parking garage there. Floors 3 and 4 will be dedicated to office space. And you just have some renderings there that kind of give you an idea of what we're thinking about in terms of staff accessibility, public accessibility, and services accessibility. And then if you advance to the slide that says-- kind of "Views & Outdoor Space," you get an idea, a little bit, of kind of the aesthetic and the view of the Capitol. I wouldn't have you spend too much-- react much to the exterior aesthetic. That's something that's very much still in flight. This is just kind of a rendering of one of the early phase designed ideas that were be-- bantering around. But the designers did want to give us kind of a feel and kind of a jumping off point for some of the design possibility. It'll be our intent to, as-- as design is-- proceeds in more detail, of course, work through the Capitol Commission, the Capitol Environs Commission, and make sure the overall aesthetic is consistent with the Capitol environs area and is something that our citizens and our community can be proud of. As we advance to the slide that's titled "Level 3 Floor Plan," we have a couple slides here that just kind of begin to lay out in broad strokes where we think some agencies could slot in here and what our anticipated space planning looks like. I talked at the start about how we're interested in collocation and affinitizing like work, and we see an opportunity here for collocation with our agencies that are kind of

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in that financial services area, in particular. They have similar professional worker types that make up their workforce and they serve similar customers, so that makes some sense to us. Level 3, the third floor, we're anticipating will be DA-- Department of Insurance and the Department of Banking with some shared swing space in between them. And then if you advance to the next slide that has the fourth floor, we're anticipating that the entirety of the fourth floor would be the Department of Revenue. I'll just make a note that, you know, we're thinking end-to-end on this. One of the reasons that Revenue needs a dedicated floor is they have some unique security requirements when you think about the handling of taxpayer information and that type of thing, and so this will allow us to have the advantage of that collocation and efficiency of space but also solve for Revenue's unique security requirements and access requirements. Then I'll advance to the slide that basically is the cost analysis and how we're anticipating really the-- the kind of return on investment or the business case for this working. We intend to proceed with this as kind of a public-private partnership, what's known as a P3. And what this kind of lays out is the disparity between us be-- going out onto the market, basically, and leasing commercial space and how favorable it will be for the state to engage in a P3 partnership to build this building and then ultimately own it outright after a 30-year term. In fact, we're anticipating approximately a little over a million dollars in annual savings as-- as compared to if these agencies were leasing on the market. And over the life of a 30-year term, the state would save approximately \$35 million and then, of course, own the entirety of the asset, as opposed to being in just a leasing or a rental situation. I anticipate there may be some questions about that, which I'm happy to circle back to, but before doing so, just kind of lay out for the committee's benefit timeline expectations. You can see on the slide titled "Design Timeline for the Remainder of the Project," we're in January of 2020 now, so we're in the center of that top slide. We would proceed to design development basically at this point, gradually fleshing out the detail of the actual design phase of the project before proceeding to an RFP and then ultimately construction, anticipating that we would break ground on this building in approximately October and then finish construction around the summer of 2022. Just before concluding, I'll just draw your attention-- I have a couple of slides in the appendix which aren't squarely within the call of what the committee was looking for today but I thought might merit some interest. The first slide just shows that we'll be leveraging, really, best-practice building design, building planning, and workspace planning techniques based on industry leading practices. And we've also done some considerable benchmarking with local

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employers of choice, including Hudl, including Nelnet, and-- and we'll be applying best practices from some of their designs, again, within the cost-- reasonable cost constraints. And then the final slide shows just the science from a State Building Division perspective that goes into how we think about affinitizing like work and actually going through space design. We survey our teammates in terms of what is their worker type, whom they work with, what type of work they do, who do they work with most closely, and we put a lot of science behind that. We do motion studies and engage in similar techniques so that we can actually see, hey, who-- where-- what's the most efficient way out of this for the convenience of our teammates and for the productivity of our teams, and these techniques have already had an impact in terms of how we're thinking about the space planning here and will continue to do so as we actually begin to finalize and move into a greater, more detailed phase of the project. So that concludes my prepared remarks, Mr. Chairman. I'm happy to take any questions or-- that the committee may have.

**STINNER:** Questions? I have a lot of questions. Under your P3 model, you're talking about 30 years, \$21.25. Is that a fixed rate?

**JASON JACKSON:** \$21.25 right now represents the market rate for leased space, I mean, so that-- there may be some fluidity to that. That would be negotiable through an RFP process. So what I would have you do is kind of look at this as a directional estimate of how we see this working out to the state's benefit.

**STINNER:** OK. And then they deed at the end over to the state?

**JASON JACKSON:** Correct, so we would negotiate some sort of option to buy at some de minimis amount. They would basically-- you know, that's one foreseeable way in which we could-- to do it.

**STINNER:** So the rent rate might fluctuate between \$21.25 and then how high do you think it should go or could go?

**JASON JACKSON:** Well, so the-- if you see there on that traditional lease, I mean, the-- with a Consumer Price Index of 2.17, basically, what-- what a landlord will do will have kind of rental escalators that you would--

**STINNER:** Right.

**JASON JACKSON:** --expect to pace with the market. We're baking into-- that into our presumptions, and that's one of the ways that this pays off over the long term.

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**STINNER:** OK, triple net lease?

**JASON JACKSON:** Correct.

**STINNER:** Now this is Class A rental space.

**JASON JACKSON:** Correct.

**STINNER:** Is that how you would classify it? Now compare that to a Class A rental space in Lincoln, Nebraska.

**JASON JACKSON:** Well, I-- sir, I think that's what we're representing is that \$21.25. That is the rent. That is the market rate today, with some variation, for Class A space in Lincoln, Nebraska.

**STINNER:** OK. So Banking, Insurance, and Revenue are going to be part of this. They're going to move. Moving cost, do you have an estimate in terms of a feel for what that will be?

**JASON JACKSON:** Not-- not at the tip of my finger, sir, but I'm happy to update you with that.

**STINNER:** OK. The other-- you know, when I look at square footage, we're building spaces, we're moving folks out of a building we already own, we're build-- moving people out of space that they're already renting and putting them into \$21.25 space, are we going to-- I mean, do the math for me and show me. Is this going to be a more expensive situation? What are we paying, for an example, on the rent today in those spaces versus what we're going to pay?

**JASON JACKSON:** Sure. I think we can anticipate some rental increase. I'll use a hypothetical with the Gold's building here in Lincoln as an example. Some of those increases will happen regardless of what we do. Right? So the lease in Gold's will expire.

**STINNER:** And how much are we paying for that?

**JASON JACKSON:** I-- I think we're in the neighborhood of \$14 or \$15 a square there, but I can update you with a little more exact number.

**STINNER:** Do we not charge these agencies? Even though they're in a state building, we charge them a rent, do we not?

**JASON JACKSON:** Correct, yes.

**STINNER:** What are we charging those folks?



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**JASON JACKSON:** Well, for-- so, for example, the folks in Gold's now, they're being-- the-- we're a straight pass through on that. Right? So we'll--

**STINNER:** OK, yes.

**JASON JACKSON:** So we'll be passing-- we'll-- whatever that rental rate is with the landlord there at Gold's, we're just passing that directly on to the agency.

**STINNER:** Yes, and so we also charged-- even though we own the building, we do charge those agencies a lease or some kind of rent fee.

**JASON JACKSON:** Correct, yes.

**STINNER:** And what is that rent fee today at the state?

**JASON JACKSON:** I want to say it's in the neighborhood of \$14 or so, but stand by. I can ask my associate. Amber, can you say off the top of your head? Do you know?

**AMBER BRANNIGAN:** The NSOB is \$12.53 a square foot.

**JASON JACKSON:** OK.

**AMBER BRANNIGAN:** And 1526 K is \$14.36.

**JASON JACKSON:** Yeah. Thank you.

**STINNER:** And that was from Jennifer-- I'm sorry, I didn't--

**AMBER BRANNIGAN:** Amber.

**JASON JACKSON:** Amber Brannigan.

**STINNER:** Oh, Amber, OK.

**JASON JACKSON:** Yeah. Yeah.

**STINNER:** I just wanted to get her name on the record.

**JASON JACKSON:** Yeah.

**STINNER:** So you know where I'm going, right?

**JASON JACKSON:** I sure do. Yeah.

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**STINNER:** We're going to actually step up the cost associated with doing business in Banking, Revenue, and Insurance by building a building and putting people into a new building. And I'm-- I-- I need to kind of reconcile that. I need better numbers to say, here's what we're paying today. Are we going to lease the-- those space out over at the Capitol, over at the other building, or are we going to absorb that with more government or are we--

**JASON JACKSON:** Well, so-- so what we're anticipating, and I-- and I'd be happy to follow up with you with more detail as that becomes available to me, and some of that may be that I can go back and obtain that within a matter of days.

**STINNER:** OK.

**JASON JACKSON:** But what we-- what we do anticipate is that with Revenue, Insurance, and Banking moving into this prospective new construction, that creates capacity in the State Office Building.

**STINNER:** Right.

**JASON JACKSON:** Again, with-- in the interest of kind of collocation and public accessibility, we see an opportunity for more of DHHS to be collocated in the State Office Building. And so the-- if you're-- and trying to look out into the future, what is the, you know, the future cost, there will be some disparity as between those pot-- those potential agencies inasmuch as Insurance, Revenue, and Banking, their rental rate is likely to increase under this model. But DHHS then, for those teammates coming into the State Office Building, would have the benefit of that lower rate there at the State Office Building.

**STINNER:** Well, just a guess, just by looking at it, looks like we're increasing by \$9 a square foot. And I don't have the square footage so I can do some of the math. That actually is an increase in cost of-- associated with government. We're going to have to find it somewhere. And so that's--

**JASON JACKSON:** And my only caveat to that, Mr. Chairman, would be that some of that cost increase is inevitable because as the-- as-- you know, so what we're talking about is the alternative to building this building is we still have a lot of agencies that are out in commercial space now--

**STINNER:** Understood.

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**JASON JACKSON:** --which have leases that will be expiring and which will be, as those leases expiring, having escalators on their rental rates that will, we can anticipate, be approximately this market rate. So there-- some of that cost associated with this market rate will be experienced regardless, just by the natural expiration and progress of our current lease agreements.

**STINNER:** I-- I-- I fully understand that. But if I'm at \$12 and it goes up another buck or two, I'm still in net-- net better off than paying \$21 or \$22. We just need to do the math so--

**JASON JACKSON:** Yes, sir.

**STINNER:** --this committee can get a feel for moving cost, what we're going to use this extra space that we're vacating for, kind of a plan on, you know, what-- what the total cost is going to be, so.

**JASON JACKSON:** We're happy to put that rigor behind this and anticipate that.

**STINNER:** That would be something I would task you with. The-- the other thing that came to mind, and I know we don't have to stay-- that we don't have to comply with building codes or anything. But when you build that many square feet, how many parking places would you have associated with that if you were having to comply with the zoning requirements in the city of Lincoln?

**JASON JACKSON:** I don't have that answer.

**STINNER:** I know you don't.

**JASON JACKSON:** Yeah.

**STINNER:** And that's not a fair question. I'm going to task you to try to--

**JASON JACKSON:** Sure.

**STINNER:** --get that number so that we can say, oh, yeah, that's-- that's a-- that's the number of stalls that we need to have under normal conditions if I was-- if I was an independent builder in the city of Lincoln.

**JASON JACKSON:** Understood.

**STINNER:** Any additional questions? Senator Clements.

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**CLEMENTS:** Thank you, Mr. Chairman. Thank you for coming, Mr. Jackson.

**JASON JACKSON:** My pleasure.

**CLEMENTS:** Does the state own that real estate now?

**JASON JACKSON:** We do.

**CLEMENTS:** We do. Then the public-private-- the private entity is going to own the building?

**JASON JACKSON:** Correct.

**CLEMENTS:** Oh, OK. That's part of how the partnership works?

**JASON JACKSON:** Exactly.

**CLEMENTS:** Oh. How did we acquire that property?

**JASON JACKSON:** I don't have that history at my fingertips, but I could follow up on it.

**CLEMENTS:** [INAUDIBLE] purchase it or by eminent domain is what I was curious--

**JASON JACKSON:** I-- I don't have an answer on that.

**CLEMENTS:** --if we had-- we had a real--

**JASON JACKSON:** That-- that would have preceded my time and I think the administration's time, but I'm happy to give you an answer as to how we obtained that.

**CLEMENTS:** OK, just curious about that.

**JASON JACKSON:** Yeah.

**CLEMENTS:** Regarding overselling some of the existing lots, last session, I was on the eighth floor and my staff was on the eighth floor looking out the north window. There was never a day in 2019 when the top floor of the lot north-- a block north of the Capitol was full. In fact, I suppose it was always 80 percent empty, the very top level, and my staff had pointed that out to me that there's certainly a lot of unused capacity there. I was really-- appreciated your talking about using-- more efficiently using those spaces. The employees that will be in this building, will they be acquired-- required to pay for their parking permit?

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**JASON JACKSON:** Yes.

**CLEMENTS:** All right, that's-- and that's already a standard practice?

**JASON JACKSON:** It is, yep.

**CLEMENTS:** People on the waitlist, they get a parking space, but they get to pay for it.

**JASON JACKSON:** Correct. All of our state teammates are paying for parking, yeah.

**CLEMENTS:** All right. I-- I was assuming that--

**JASON JACKSON:** Yeah.

**CLEMENTS:** --but I just wanted to double check. And how many square feet of office space are there proposed here?

**JASON JACKSON:** I'm going to have to refer back to my colleague once again, Amber Brannigan.

**AMBER BRANNIGAN:** One hundred and forty-four thousand square feet.

**JASON JACKSON:** OK.

**CLEMENTS:** And not counting the parking, correct?

**AMBER BRANNIGAN:** That's just office space, sir.

**CLEMENTS:** Very good. Thank you.

**JASON JACKSON:** Thank you.

**STINNER:** Additional questions? Senator Dorn.

**DORN:** Thank you, Chairman. Thank-- thank you for being here.

**JASON JACKSON:** Yes, sir.

**DORN:** Explain a little bit more, if you can, the \$21.25, and you-- and you talk about that's the market rate.

**JASON JACKSON:** Yep.

**DORN:** Is that-- is that this type of new construction or how did you-- or, I guess, how is that arrived at? Or my other thought is, is this-- your pr-- private partner now going to basically charge that rate?

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**JASON JACKSON:** Well, I think the answer is yes and yes, with some fluidity either way, right? So-- so we believe that rate represents the prevailing market rate for Class A office space in Lincoln, Nebraska, and so we're using that as an estimate for, at this moment in time, what leasing space of this amount of square footage would cost us.

**DORN:** OK.

**JASON JACKSON:** And-- and we're baking that into our presumptions of how the P3 partnership would work in terms of ultimately what would be the payback for that developer over time and how that would be financed on their side.

**DORN:** OK. And then maybe I don't understand, and I know Chairman Stinner does, then explain the-- the Class A or whatever-- what you're talking about, because apparently our Gold's is a Class A, where we're renting our others.

**JASON JACKSON:** And I'm not in a position to say the detail that goes into what makes Class A and Class B.

**DORN:** Yeah. OK.

**JASON JACKSON:** But, you know, just conversationally, Class A would be, you know, what you would say is the-- the-- the top line of kind of office space in a-- in an office space environment.

**DORN:** New building.

**JASON JACKSON:** Not necessarily new--

**DORN:** Not nec-- OK.

**JASON JACKSON:** --but in-- but in terms of its condition, its maintenance, its amenities, that--

**DORN:** OK.

**JASON JACKSON:** --we would say that represents Class A.

**DORN:** Thank you.

**JASON JACKSON:** Yep.

**DORN:** Thank you very much.

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**JASON JACKSON:** Yep.

**STINNER:** Just to be helpful for you, if it's a \$9 differential between what we're paying and what we're going to pay under this, it's about \$1,296,000, \$1.3 million dollar extra cost or extra burden to the state. Now, qualitatively, as you talk about density, as you talk about customer service, all has to be factored into that-- I get that part of it-- but that would be helpful to have that for the committee.

**JASON JACKSON:** Understood.

**STINNER:** Senator Clements.

**CLEMENTS:** Thank you, Mr. Chairman. And do you know how many spaces, parking spaces, will be used by the Level 3 and 4 office employees?

**JASON JACKSON:** If you give me a little swag, I think as we add up Revenue, Insurance, and Banking, their total workforce that we anticipate moving in here is around 460, thereabouts, and so there is not a one-for-one relationship there. But our past practice has demonstrated that us-- that's more-- usually enough to accommodate a workforce of that size in that type of environment.

**CLEMENTS:** You don't expect everyone to want to have a parking space. Is that--

**JASON JACKSON:** Not everybody will want to have a parking spot. Not everybody will be a comm-- commute with their personal vehicle. Some people will carpool. You know, not everybody will be there every day-- you know, all those types of considerations.

**CLEMENTS:** OK, 460 is about the maximum number of employees you'd expect need--

**JASON JACKSON:** Give or take ten either direction.

**CLEMENTS:** All right. Thank you.

**JASON JACKSON:** Yep. Yep.

**STINNER:** Any additional questions? Seeing none, thank you very much.

**JASON JACKSON:** Thank you, Mr. Chairman, appreciate it.

**STINNER:** Yes.

**JASON JACKSON:** Thank you, committee.

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**HILKEMANN:** Thank you.

**VARGAS:** He's going to send it to the entire Appropriations Committee, right, the follow-up documents you asked for?

**STINNER:** Yes. He'll-- you will provide the stuff I've asked for, I think, can you--

**JASON JACKSON:** Absolutely.

**STINNER:** You're making notes on it?

**JASON JACKSON:** Yep. Would you like that-- us to provide that to your office?

**STINNER:** That would be good--

**JASON JACKSON:** OK.

**STINNER:** --and that way I can share with committee members.

**JASON JACKSON:** Excellent. All right.

**STINNER:** Thank you.

**JASON JACKSON:** Thank you all. Appreciate it.

**STINNER:** Yes. Any additional proponents? Seeing none, any opponents? Seeing none, anybody in the neutral capacity?

**BOB WICKERSHAM:** Senator, if I might?

**STINNER:** Yes.

**BOB WICKERSHAM:** My name is Bob Wickersham. I'm here on behalf of the Nebraska Association of Former State Senators. As the committee knows, we're-- we have an interest--

**STINNER:** If you could spell your name, that would be just perfect.

**BOB WICKERSHAM:** Oh. W-i-c-k-e-r-s-h-a-m. Yes. thank you, Senator. As I think the committee members know, our association is greatly interested in one aspect of what Mr. Jackson talked about, and that is public access to the Capitol Building, specifically whether or not we can free up-- reasonably free up the 100 spaces around the Capitol Building for public access. Now, when I say reasonably free those up, I think you'll all remember the testimony that we had in 2018 about



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state employees paying-- playing what I'm going to characterize as parking ticket roulette. They parked until somebody called them and said the parking folks are here, I've got to move. And that didn't seem to be any way for the state to be managing its staff or its employees. I don't think it's good for the employees. I don't think it's good for the people they work for. I was interested in the portion of Mr. Jackson's testimony where essentially the new building comes out to be net. Well, of course, net in terms of not any additional parking that would be available for other state employees, it just-- at least it's enough parking for the building, which I think is obviously a-- we think is obviously a positive. It doesn't sound like it has much potential for parking in addition to the tenants' needs. From our perspective, we believe that would have been desirable because, to the extent you can provide additional off-street parking, hopefully those state employees that now use the 100 places around the Capitol Building might not have had to do that. But if you can't accommodate it, you can't accommodate it. I guess you have to look for other things. And again, I'm interested what-- we were interested in Mr. Jackson's comments about their initiatives with regard to parking. I don't-- I don't-- as I understand his remarks, this building isn't their last initiative. They've-- they've got more aspects that they're hoping to implement. Perhaps those will come a little closer to realizing something that our association is hoping for than just the building of this building. So I-- Mr. Chairman, I hope that isn't too muddled, but thank you.

**STINNER:** Thank you. Questions? Seeing none, thank you. Any additional testimony in the neutral capacity? Seeing none, that concludes our hearing. Thank you very much, Director.